

MILK PRODUCTION COSTS AND RETURNS: Northern Crescent and United States, 2009-2010

Item	Northern Crescent 1/		United States	
	2009	2010	2009	2010
	Dollars/cwt.			
Gross value of production:				
Milk sold	13.36	17.09	12.81	16.25
Cattle	1.08	1.29	1.14	1.40
Other income 2/	0.84	0.75	0.83	0.74
Total, gross value of production	15.28	19.13	14.78	18.39
Operating costs:				
Feed--				
Purchased feed	5.71	6.36	7.54	8.20
Homegrown harvested feed	4.64	3.92	3.27	2.88
Grazed feed	0.10	0.08	0.09	0.09
Total, feed costs	10.45	10.36	10.90	11.17
Other--				
Veterinary and medicine	1.12	1.13	0.94	0.95
Bedding and litter	0.40	0.40	0.25	0.25
Marketing	0.27	0.27	0.31	0.31
Custom services	0.52	0.52	0.49	0.50
Fuel, lube, and electricity	0.67	0.82	0.57	0.70
Repairs	0.80	0.81	0.66	0.67
Other operating costs 3/	0.00	0.00	0.00	0.00
Interest on operating capital	0.02	0.01	0.02	0.01
Total, operating costs	14.25	14.32	14.14	14.56
Allocated overhead:				
Hired labor	1.72	1.75	1.71	1.74
Opportunity cost of unpaid labor	3.36	3.26	2.28	2.21
Capital recovery of machinery and equipment 4/	3.85	3.88	3.31	3.33
Opportunity cost of land (rental rate)	0.03	0.03	0.03	0.02
Taxes and insurance	0.32	0.32	0.24	0.24
General farm overhead	0.80	0.81	0.57	0.57
Total, allocated overhead	10.08	10.05	8.14	8.11
Total costs listed	24.33	24.37	22.28	22.67
Value of production less total costs listed	-9.05	-5.24	-7.50	-4.28
Value of production less operating costs	1.03	4.81	0.64	3.83
Supporting information:				
Milk cows (head per farm)	109	112	170	177
Output per cow (pounds)	19,528	19,626	19,161	19,219
Milking frequency more than twice per day (percent of farms)	8.94	9.36	7.81	8.18
Milk cows injected with bST (head per farm)	23	25	28	30

1/Includes WI, MI, NY, NJ, the New England states, and parts of MN, OH, PA, and MD. 2/Income from renting or leasing dairy stock to other operations; renting space to other dairy operations; co-op patronage dividends associated with the dairy; assessment rebates, refunds, and other dairy-related resources; and the fertilizer value of manure production. 3/Costs for third party organic certification. 4/Machinery and equipment, and housing, manure handling, and feed storage structures, and dairy breeding herd.